

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 CIAE-00 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-01 DODE-00 PA-01 PRS-01 /085 W
-----124198 291244Z /46

R 290700Z JUN 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 8359
INFO USDOC WASHDC
AMEMBASSY ABU DHABI
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY MANAMA

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E.O. 11652: GDS
TAGS: ETRD, PFOR
SUBJECT: REPRESENTATION CONCERNING U.S. ANTIBOYCOTT LEGISLATION

REF: (A) STATE 146034, (B) KUWAIT 3420, (C) STATE 142390
(D) KUWAIT 3514.

1. ON JUNE 28, ACCCOMPANIED BY E/C SECTION CHIEF, I CALLED
ON ACTING FOREIGN MINISTRY UNDERSECRETARY FAISAL MUTAWA
AND BRIEFED HIM ON AMEMNDMENTS TO NEW U.S. EXPORT ADMINIS-
TRATION ACT RELATING TO FOREIGN BOYCOTT PRACTICES ALONG
LINES OF STATEMENT IN PARA 6 REFTEL C, WHICH I LEFT AS
AN AIDE MEMOIRE. IN MAKING PRESENTATION, I PLACED
PARTICULAR EMPHASIS ON NEED FOR POSITIVE CERTIFICATION,
ESPECIALLY AS APPLIED TO LETTERS OF CREDIT.

2. AMBASSADR MUTAWA HAD WITH HIM ACTING DIRECTOR OF
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ECONOMIC AFFAIRS ABD AL-MUHSIN AL-JI'AN WHOM HE ASKED TO
RESPOND TO MY PRESENTATION. JI'AN SAID THAT GOK WAS SORRY
THAT THE LAW HAD BEEN PASSED AND HAD FOLLOWED CLOSELY THE
ACTIVITIES OF VARIOUS ZIONIST ORGANIZATIONS IN PROMOTING
THE LAW. THE LAW, JI'AN SAID, WOULD NOT BE CONDUCIVE
TO PEACE IN THE MIDDLE EAST OR U.S. TRADE RELATIONS WITH
ARAB COUNTRIES. JI'AN THEN WENT OVER WELL KNOWN ARAB

POINTS ON BOYCOTT, SUCH AS FACT THAT IT WAS NOT DISCRIMINATORY AND THAT UNDER INTERNATIONAL LAW ARAB COUNTRIES HAD RIGHT TO ENFORCE BOYCOTT JUST AS U.S. DID. JI'AN SAID KUWAIT WOULD STUDY THE AIDE MEMOIRE WITH INTEREST AND WOULD APPRECIATE A COPY OF THE TEXT OF THE LAW. HE NOTED THAT KUWAIT'S POSITION ON THE U.S. LEGISLATION WOULD NOT BE TAKEN ON ITS OWN, BUT WOULD REFLECT THE REACTION OF THE ARAB COUNTRIES AS A GROUP.

3. IN RESPONSE I NOTED THAT WHATEVER DISCUSSION TOOK PLACE BEFORE PASSAGE, THE RESULTING LAW WAS A BALANCED ONE REFLECTING BROAD CONSENSUS IN THE U.S. IT RECOGNIZED THE SOVEREIGN RIGHT OF COUNTRIES TO REGULATE COMMERCE AND ALLOWED FOR PROVISION OF NORMAL COMMERCIAL INFORMATION. QUESTION NOW SEEMED TO BE ONE OF SEMANTICS--SUCH AS THE SPECIFIC WORDING IN LETTERS OF CREDIT AND TENDER DOCUMENTS. I NOTED THAT THE LAW ELIMINATES A GREAT DEAL OF UNCERTAINTY AND QUESTION WHICH HAD BEEN RAISED BY THE VARIOUS STATE ANTYBOYCOTT LAWS. IN THIS RESPECT, IT WOULD PROBABLY FACILITATE TRADE WITH THE ARAB WORLD.

4. JI'AN STATED CATEGORICALLY THAT KUWAIT HAD NOT FORMALLY ACCEPTED POSITVIE CERTIFICATION AND THAT THIS DECISON COULD ONLY COME FROM THE ARAB COUNTRIES AS A GROUP. UNTIL SUCH TIME, REQUIREMENT OF NEGATIVE CERTIFICATION STILL APPLIED IN KUWAIT. I EXPRESSED SURPRISE AT THIS, NOTING

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WE HAD A NUMBER OF INDICATIONS THAT THE KUWAIT BOYCOTT OFFICE ACCEPTED POSITIVE CERTIFICATION (REF B). ALSO, THIS STATEMENT ABOUT NEGATIVE CERTIFICATION RAN COUNTER TO THE PRACTICE OF MOST ARAB STATES, SUCH AS EGYPT, SAUDI ARABIA, UAE AND QATAR, ALL OF WHICH ACCEPTED POSITIVE CERTIFICATION. I SAID WE WOULD APPRECIATE CLARIFICATION OF KUWAIT'S POSISTION REGARDING POSITIVE CERTIFICATION.

5. I WOULD HAVE PREFERRED TO DISCUSS THIS SUBJECT WITH THE MINISTER OF COMMUNICATIONS, WHOSE MINISTRY IS RESPONSIBLE FOR THE LOCAL ISRAEL BOYCOTT OFFICE (HE IS ON SICK LEAVE AND HIS UNDERSECRETARY IS OUT OF THE COUNTRY), BECAUSE THE FOREIGN MINISTRY IS NOTORIOUSLY UNKNOWLEDGEABLE ABOUT THIS SUBJECT. I SHALL DO THIS WITH THE FIRST ONE OF THEM WHO RETURNS TO HIS OFFICE. IN THE MEANWHILE, MY E/C SECTION CHIEF WILL SEEK AN APPAINTMENT WITH DIRECTOR OF KUWAIT BOYCOTT OFFICE, WHO MAY INJECT SOME CLARITY INTO THE GOK'S POSITION ON POSITIVE CERTIFICATION. I AM ANXIOUS TO GENERATE SOME MOVEMENT ON THE PART OF THE GOVERNMENT WHICH WILL PERMIT THE KUWAITI BANKS TO USE POSITIVE CERTIFICATION LANGUAGE IN THEIR LETTERS OF CREDIT. NEGATIVE L/C LANGUAGE HAS UP TO NOW DETERRED SOME

U.S. FIRMS FROM MAKING MAJOR SALES TO KUWAIT'S MARKET.

6. RE SUGGESTION PARA 8 REF C, I WELCOME IDEA OF STATE/ COMMERCE DELEGATION TO EXPLAIN BOYCOTT REGUALTIONS SO LONG AS IT IS SMALL (2-3 PERSONS). MEETINGS WITH LOCAL BUSINESS GROUPS AND GOVERNMENT OFFICIALS WOULD BE USEFUL. I SUGGEST THE DELEGATION NOT COME BEFORE OCTOBER 1, SINCE MOST INTERESTED PARTIES WILL BE OUT OF KUWAIT DURING THE HOT AND SANDY SUMMER UNITL AFTER THE END OF RAMADHAN IN MID SEPTEMBER.

7. ACTION REQUESTED: PLEASE PROVIDE EMBASSY WITH COPY OF ANTIBOYCOTT LAW, AS REQUESTED BY FOREIGN MINISTRY AND IN REF D.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, DIPLOMATIC REPRESENTATIONS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jun-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT03535
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770255-1350
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977068/aaaaagof.tel
Line Count: 137
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 320c1b83-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 146034, 77 KUWAIT 3420, 77 STATE 142390, 77 KUWAIT 3514
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2235147
Secure: OPEN
Status: NATIVE
Subject: REPRESENTATION CONCERNING U.S. ANTOBOYCOTT LEGISLATION
TAGS: ETRD, PFOR, US, KU
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/320c1b83-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009